

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF BLUE GRASS)	CASE NO. 96-527-C
ENERGY COOPERATIVE CORPORATION)	
FROM NOVEMBER 1, 1997 THROUGH)	
APRIL 30, 1998)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on June 15, 1998 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Blue Grass Energy Cooperative Corporation ("Blue Grass") for the 6 months ended April 30, 1998.

As part of this review, the Commission ordered Blue Grass to submit certain information concerning its compliance with Commission Regulation 807 KAR 5:056. Blue Grass has complied with this Order. The Commission further ordered that a public hearing be held in this case but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

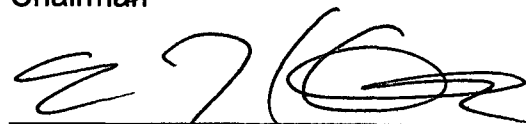
The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Blue Grass has properly calculated and applied its FAC charge.

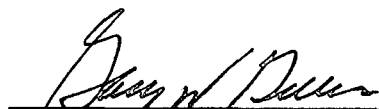
IT IS THEREFORE ORDERED that the charges and credits applied by Blue Grass through the FAC for the period November 1, 1997 through April 30, 1998 are approved.

Done at Frankfort, Kentucky, this 30th day of September, 1998.

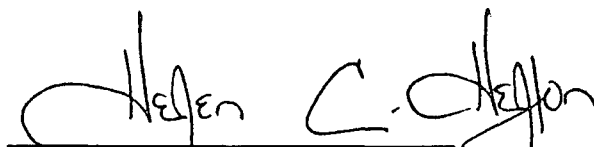
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director